

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
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FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 4420

C O N F I D E N T I A L BUENOS AIRES 857

E.O. 11652: GDS
TAGS: PINR, PINT, EFIN, AR
SUBJECT: RESIGNATION OF CARLOS HELBLING, PRESIDENT OF BANADE

REF: STATE 27843

1. CARLOS HELBLING RESIGNED EFFECTIVE JANUARY 31 FROM HIS PRESENT POSITION AS PRESIDENT OF THE NATIONAL DEVELOPMENT BANK (BANADE). IN HIS LETTER OF RESIGNATION ADDRESSED TO MINISTER OF ECONOMY MARTINEZ DE HOZ, HELBLING STATES THAT HE IS RESIGNING AFTER COMPLETING THE FIRST PHASE OF RECONSTRUCTION OF BANADE AND EXPRESSES HIS APPRECIATION FOR THE MINISTER'S SUPPORT. HE TOLD THE PRESS THAT HE IS RESIGNING FOR HEALTH REASONS AND THAT, IF AFTER A PERIOD OF FIVE MONTHS HIS SERVICES ARE STILL NEEDED, HE MIGHT BE ABLE ONCE AGAIN TO WORK FOR THE GOVERNMENT.

2. THE PREVAILING RUMOR IN BUENOS AIRES IS THAT HELBLING RESIGNED TO DISASSOCIATE HIMSELF AS MUCH AS POSSIBLE FROM MINISTER OF ECONOMY MARTINEZ DE HOZ SO THAT HE MIGHT BE IN A BETTER POSITION TO REPLACE THE MINISTER SHOULD THE LATTER BE FORCED TO RESIGN IF THE CURRENT RECESSION CONTINUES BEYOND THE SECOND QUARTER. HELBLING'S REMARK ABOUT BEING PREPARED TO COME BACK INTO GOVERNMENT
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SERVICE IN A SHORT TIME ADDED STRENGTH TO THIS RUMOR.

3. COMMENT: HELBLING, WHO IS ASSOCIATED WITH THE RADICAL PARTY, HAS MADE IT CLEAR TO EMBASSY OFFICERS THAT HE HAS LOFTY POLITICAL AMBITIONS AND THAT HE PROBABLY CONSIDERS HIMSELF A SUITABLE REPLACEMENT FOR MARTINEZ DE HOZ, WITH THE PRESIDENCY THE NEXT STEP.

BANKING SOURCES HAVE ON VARIOUS OCCASIONS INFORMED US THAT HELBLING HAS BEEN VERY CANDID IN CRITICIZING MARTINEZ DE HOZ -- A POSTURE WHICH WOULD MAKE HIM MORE ACCEPTABLE TO THE OPPONENTS OF THE GOA'S CURRENT ECONOMIC POLITICS. AT THE SAME TIME, HELBLING'S GOOD REPUTATION AS A BANKER WOULD PROBABLY REASSURE THOSE WHO FEAR THAT MARTINEZ DE HOZ MIGHT BE REPLACED BY SOME ONE WHO WOULD ADOPT AN IRRESPONSIBLE FISCAL AND MONETARY POLICY AND BRING ECONOMIC CHAOS BACK TO ARGENTINA.

4. WHATEVER THE TRUTH IS, HELBLING'S RESIGNATION HAS ADDED FUEL TO NORMAL SPECULATION ABOUT THE POSSIBILITY OF MARTINEZ DE HOZ'S RESIGNATION. THE RECESSION, AS EXPECTED, HAS INCREASED OPPOSITION FROM ALL QUARTERS. NONETHELESS, WE HAVE RECEIVED NO INDICATION THAT MARTINEZ DE HOZ HAS LOST THE CONFIDENCE AND CRUCIAL SUPPORT OF PRESIDENT VIDELA. THE FACT THAT MARTINEZ DE HOZ IS PRESENTLY OFF ON A SAFARI IN SOUTH AFRICA WOULD INDICATE THAT HE IS NOT TOO CONCERNED.
CASTRO

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